Texas, Southeast Bank Holding Companies Outpace the Nation

Continued from page 1

Despite suffering from the recession more than some of their neighbors, holding companies in a southern region including Tennessee, Alabama, Mississippi, Arkansas, and Louisiana still showed asset growth of 15.1%. Merger activity in Tennessee, which had aggregate asset growth of 21.1%, and Alabama, with a 15.1% gain, accounted for most of the increase.

Among Texas companies, Mercantile Texas Corp. of Dallas was the most active in acquiring other banks. The $10.2 billion-asset Mercantile, the fifth largest bank holding company in Texas and 27th biggest in the United States, added 15 banks. This accounted for more than one-half of its 22.6% asset growth.

Texas Commerce Bancshares Inc. of Houston, second largest in the state and 19th biggest in the U.S., acquired 12 banks in 1982. Its assets grew 25.4% to $18.2 billion. Acquisition of El Paso National Corp. and its seven banks accounted for a large percentage of the growth.

Merger Activity Hot in Georgia

Mergers also helped Georgia companies boost assets.

First Railroad & Banking Co. of Augusta bounded into the top 200 with a 74.7% gain, from $791.3 million to $1.3 billion. This gain was partially fueled by its acquisition of the $300 million-asset First South Bankcorp.

Citizens & Southern Georgia Corp. of Atlanta, which with $6 billion in assets is the state's largest bank holding company, acquired seven banks in 1982. This helped fuel a 20% rise in assets.

The five Georgia bank holding companies included in the rankings acquired 19 banks last year.

Economic and population growth also contributed to the strong showing made by southeastern holding companies.

Charles W. Peabody, an banking industry specialist at Merrill Lynch, Pierce, Fenner & Smith Inc., cited a recent study showing that businesses rate Florida and other southeastern states high on a list of "attractive places to do business."

When businesses migrate to these states, they create a need for housing, office space, and loans — all of which benefit area banks.

Mr. Peabody noted that Barnett Banks of Florida Inc., Jacksonville, offers a good example of the aggressive acquisition programs of banks in the region.

In 1982, the $6.9 billion-asset company opened or acquired 35 offices, pushing its total up to 201. Barnett announced a total of six acquisitions last year, including First Marine Banks Inc. of Riviera Beach and Great American Banks Inc. of Miami. Both purchases are expected to be completed this year.

Slow Growth on West Coast

West Coast companies had relatively flat asset gains, showing an average 4.9% rise. California holding companies were up 5.4%, to $264.8 billion from $251.2 billion in 1981.

Chicago holding companies, by far, had the slowest asset growth. Continental Illinois Corp., Harris Bankcorp., and LaSalle National Corp. showed declines of 8.7%, 4.7%, and 8.8%, respectively.

Illinois' large bank holding companies as a whole posted a decline of $1.7 billion, or 1.7%, to $98.8 billion from $100.5 billion.

In contrast, Ohio bank holding companies showed a total gain of 16%, spurred by the merger activity of Huntington Bancshares and Banc One Corp., both of Columbus; Toledo Trustcorp.; and Fifth Third Bancorp of Cincinnati.

In the Northeast and Northwest/Central states, big bank holding companies posted modest gains of 10.1% and 10.9%, respectively.

Assets of New York bank holding companies rose 9.3%, from $473 billion to $517.1 billion.

The 33.2% growth at Connecticut bank holding companies was the largest of any state in the nation. The merger between CBT Corp. of Hartford with State National Bancorp Inc. of Stamford and that between Hartford National Corp. and Connecticut National Bank helped to boost the overall gain.

Citicorp Regains Top Position

Citicorp continues to play leapfrog with BankAmerica Corp. for the position as the nation's largest bank holding company. The New York company once again is number one. Its assets at yearend totaled $129.9 billion, up 9% from the year before. BankAmerica, which ended 1981 as the nation's largest, now is in second place. Its assets totaled $122.2 billion at yearend, up 0.9%.

The third, fourth, and fifth positions remain unchanged from a year earlier. They are respectively Chase Manhattan Corp., with $80.9 billion, up 5.3%; Manufacturers Hanover Corp., $64 billion, up 8.3%; and J.P. Morgan & Co., up 9.5% to $58.6 billion.

There were two changes in the top 10, as two Illinois holding companies were surpassed. Chemical New York Corp., with $48.3 billion, moved into sixth place, ahead of Continental Illinois, at $42.9 billion. Security Pacific Corp. of Los Angeles, with $36.9 billion, took over 10th place from First Chicago, which fell to 11th place with $35.9 billion.

With $781.8 billion in total assets, New York and California bank holding companies represent 50.2% of the assets of the top 200.

Citicorp and BankAmerica alone account for 16.2%, and the top 10 control 42.7%.

As of Dec. 31, the top 200 controlled 1,845 banks. The top 100 controlled 1,169, up from last year's 1,039. The increase within the top 100 was due primarily to the entry of three companies controlling 44 banks. Also, the eight Texas holding companies in the top 100 added 59 banks.

Five BHCs Formed

This year, five new bank holding companies in the top 200 were formed: Arizona Bancwest Corp. of Phoenix; Continental Bancorp Inc. of Philadelphia; First Citizens Corp. of Raleigh, N.C.; Union National Corp., Mount Lebanon, Pa.; and Commonwealth Financial Corp. of Harrisburg, Pa.

Also, early in 1983, PNC Financial Corp. was formed through the merger of Pittsburgh National Corp. and Provident National Corp. of Philadelphia. Had this merger been effective Dec. 31, on a pro-forma basis the $11.6 billion-asset Pittsburgh holding company would have ranked 26th.

Total deposits of the top 200 holding companies were $1.093 trillion, equivalent to 58.4% of the deposits of all commercial banks.

The 1983 ranking of the top 200 includes 120 multibank holding companies — with 65 in the top 100 — and 80 one-bank holding companies.

The largest gain in rank was achieved by Third National Corp. of Nashville, Tenn. It jumped 30 places to rank 100th. Third National acquired Ancorp Bancshares and posted a 53% growth in assets last year.

The next largest gainer was Huntington Bancshares, which rose 25 places to 57th. Its assets grew 63.5%, mostly because of its acquisition of a majority share of Union Commerce Corp. of Cleveland.

Colorado National Bancshares of Denver and Hartford National Corp. had the next largest gains in rank. Each shot up 21 places, to 128th and 74th, respectively. First American Corp. of Nashville and Norstar Bancorp. of Albany, N.Y., each rose 20 places, to 117th and 85th respectively.

Fifty-six bank holding companies gained in rank.

The largest drop in rank was by Orbanco Financial Services Corp. of Portland, Ore. It dropped 34 places to 191st and posted a 7.4% decline in assets.

Other big decliners were: Schroders Inc. of New York, which fell 29 places to 141st and had a 7.6% asset decline; First Tulsa Bancorp Inc. of Oklahoma, which dropped 25 places to 193d and had a 1.9% asset decline; and Centran Corp. of Cleveland, which fell 24 places to 111th with an 8.4% asset decline.

The largest gainer in the 1982 survey, First of America Bank Corp., Kalamazoo, Mich., dropped 11 places to 82d in the latest. The largest loser in that survey was Centran Corp., which then dropped 29 spots. In the past two years, Centran has lost 53 places and dropped 22.5% in assets.

Bank holding companies with the largest percentage gains in assets from yearend 1981 to yearend 1982 are: First Railroad & Banking Co., 74.7%; Huntington Bancshares, 63.5%; Dauphin Deposit Corp. of Harrisburg, Pa., 63.2%; Third National Corp., 53%; NCNB Corp. of Charlotte, N.C., 49.7%; and BancTexas Group Inc. of Dallas, 49%. ■

To Our Readers

American Banker would appreciate your comments on the top bank holding companies tables in today's issue. Please answer the following questions and return the questionnaire to L. Michael Cacace, American Banker, One State Street Plaza, New York, N.Y. 10004.

Title of Table_____ **Date**_____

1a. How useful is this tabulation to you?

____ (A) Very Useful ____ (B) Quite Useful

____ (C) Somewhat Useful ____ (D) Not Useful

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2. What do you think is **best** about this tabulation?

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Name_____ **Title**_____

Company_____ **Phone**_____

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DIDC Will Continue Announcing 30-Month Securities Yield

Washington Bureau

WASHINGTON — The Depository Institutions Deregulation Committee has stated that it will temporarily continue to announce a 2½-year yield for U.S. Treasury securities even though use of that interest rate as a Federal ceiling on bank and thrift accounts of that maturity ends today.

The DIDC said it would continue to announce a 2½-year rate for the benefit of banks and thrifts that use this an an index rate for accounts. Some institutions, for example, base their yield on 18-month individual retirement accounts according to the 2½-year Treasury rate.

The rate will be announced biweekly as long as the federal government continues to regulate deposit interest rates, the DIDC said.

Prior to Friday, new accounts with a maturity of 2½-years to less than 3½ years could pay a maximum of the 2½-year Treasury rate at thrift institutions, and one-quarter point less at commercial banks. ■

Kansas . . .

Continued from page 35

For example, he said, multibank holding companies in Kansas eventually could lead to fewer banking services for rural Kansas, particularly loans for farmers. "The whole question here is who owns the banks. I can see no advantages to the consumer in making these changes."

Rep. Harold Dyck, R-Hesston, discounted arguments that multibank holding companies would lead to fewer banking services or bring about an end to community banks.

In fact, proponents contended that Kansas needs to change its banking system to keep pace with more liberal banking structures in other states. Kansas is one of the few states that do not allow multibank holding companies.

"I see no reason to keep our head in the sand," said Rep. Ken Francisco, D-Maize. ■

First Merchants Corp. BHC

CHICAGO — The Federal Reserve Bank of Chicago has approved the application of First Merchants Corp., Muncie, Ind., to become a bank holding company by acquiring Merchants National Bank of Muncie. ■

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American Banker

The Only Daily Banking Newspaper

VOL. CXLVIII NO. 67 Wednesday, April 6, 1983 148th Year

Third-World Exposure at Second 10 Banks

(Dollar Figures in Millions)

	Mexico	Brazil	Venez.	Other[1]	Total	As % of Equity
First Chicago Corp.	865	700	—	—	1,565	105%
as % of loans	4.0%	3.2%			7.2%	
Crocker National Corp.	589	660	263	744	2,256	191%
as % of loans	3.6%	4.1%	1.6%	4.6%	14.0%	
Wells Fargo & Co.	612	489	245	—	1,345	122%
as % of loans	3.2%	2.6%	1.3%		7.1%	
InterFirst Corp.	237	—	—	—	237	21%
as % of loans	1.9%				1.9%	
Mellon National Corp.	421	361	180	—	962	99%
as % of loans	4.2%	3.6%	1.8%		9.7%	
Marine Midland Banks	304	513	314	—	1,131	128%
as % of loans	2.5%	4.2%	2.6%		9.2%	
Irving Bank Corp.	340	385	500	215	1,440	189%
as % of loans	3.4%	3.8%	5.0%	2.1%	14.3%	
Bank of Boston Corp.	225	185	—	235	645	73%
as % of loans	2.2	1.8%		2.3%	6.2%	
Texas Commerce	321	—	—	—	321	37%
as % of loans	3.3%				3.3%	
Northwest Bancorp.	171	—	—	—	171	16%
as % of loans	1.5%				1.5%	
TOTAL	4,084	3,293	1,502	1,194	10,073	98%
as % of loans	3.1%	2.5%	1.1%	0.9%	7.6%	

[1] Includes Argentina and/or Chile.

Second-Tier Latin Loans Equal Equity

By TERESA CARSON

NEW YORK — The second tier of American banking companies — those ranked 11th to 20th in asset size — have investments almost equal to their equity capital in problem-plagued Latin American countries.

But they have been much less aggressive than the top 10 bank holding companies, which have invested more than one-and-a-half times their capital outstanding in these countries.

The second 10 banking firms had $10 billion outstanding to financially strapped Latin American countries at yearend — an amount equal to 98% of their equity capital.

Within this group, however, exposure varied widely. Crocker National Corp., San Francisco, topped the list with $2.23 billion outstanding to these problem-plagued nations — an amount totaling 191% of its equity. The least exposed in the group was Northwest Bancorp., Minneapolis, which has $171 million in outstandings to Mexico, an

➳ Latin America: Page 38

Fed Threatens to Challenge Bank Owned by Fund Manager

Warns of Glass-Steagall Violation Penalties

By JAY ROSENSTEIN

WASHINGTON — The Federal Reserve has threatened to put a roadblock in front of recent decisions by the Office of the Comptroller of the Currency to grant national bank charters to institutions owned by mutual fund managers.

In a letter to a newly chartered bank owned by J.&W. Seligman & Co. Inc., one of New York's oldest investment company management firms, the Federal Reserve Bank of New York warned that while it was prepared to grant membership in the Federal Reserve System to the bank, the institution could face penalties for possible violations of the Glass-Steagall Act.

The New York Fed cited provisions of that law prohibiting affiliations between Fed member banks and investment management firms.

The notice by the Reserve Bank also is seen as having implications for the Dreyfus Corp., one of the nation's largest mutual fund groups. Dreyfus last February obtained approved from the comptroller to open a national bank. Presumably, the Federal Reserve could challenge the Dreyfus National Bank & Trust Co. when it applies for Fed membership.

Banking agency observers interviewed Tuesday said a key issue will be whether the Fed will seek to use the Seligman case to frustrate or halt nonbank firms from entering the banking business.

The matter also could end up in the courts or in Congress, which this year is expected to review statutes outlining the powers of the financial services industry.

Those concerned about limiting bank expansion worry that the Seligman case could be the catalyst for a court ruling or congressional action that could broaden bank powers.

Another question concerns the extent to which the Fed might seek to use Fed membership to defend its point of view

➳ Seligman: Page 38

Wachovia Cuts Prime to 10% From 10½%

By JOHN P. FORDE

NEW YORK — Wachovia Bank & Trust Co. NA of Winston-Salem, N.C., lowered its prime rate to 10%, effective today, from 10½%.

The bank's prime rate is now at its lowest point in over four years.

This is the first decrease in a major bank's prime lending rate since Feb. 28, when most of the nation's largest banks decreased their rates to 10½% from 11%.

Wachovia, with $4.9 billion in deposits, is the nation's 31st largest commercial bank and North Carolina's second biggest.

According to a statement by Wachovia, the decline was appropriate

➳ Prime: Page 35

INSIDE

Electronic Funds Transfer Review

Who is destined to control the nation's payment systems? Bankers? Retailers? Both? In today's feature section, Robert M. Garsson says new technology of "has the potential to stand the traditional banker-retailer relationship on its head." See page.....13

Futures Use Survey
Over 100 banks have used futures at one time or another, according to an American Banker survey: FUTURES.....3

Don't Depend on Hearsay Research
Bank officials should not make decisions based on hearsay research or on a sample of one other institution: MARKETING MANAGEMENT..4

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Seligman . . .

Continued from page 1

in its differences with the comptroller on this issue. Until now, applications for Fed membership by national banks have been treated as mere formalities before approval. And some speculate there could be more applications for state bank charters that do not carry Fed membership.

In the Seligman case, J.&W. Seligman Trust Co. NA obtained a national charter in February from the comptroller. It plans to limit its activities to the fiduciary services of a trust company.

The parent firm is investment adviser to six mutual funds that bear the Seligman name and to Tri-Continental Corp., a closed-end investment company.

Seligman was able to sidestep Fed scrutiny in obtaining its charter because the bank said it will not solicit demand deposits or make commercial loans, thus not qualifying as a commercial bank under the definition in current law.

Approved by Comptroller

In the Seligman case, Comptroller C.T. Conover approved the charter. He said the ownership arrangement would be permissible under Glass-Steagall because the bank's parent and subsidiaries are not "engaged principally" in securities activities prohibited to bank affiliates. He said gross revenues from these activities were less than 3% of the Seligman organization's consolidated revenues.

But the March 28 letter from A. Marshall Puckett, vice president of the New York Fed, said there is "substantial reason to believe" that as a Fed member, Seligman could be violating two sections of Glass-Steagall.

One is section 20, which prohibits Fed member banks from being affiliated wth a company engaged principally in the issuing or underwriting of securities.

The other is section 32, which prohibits Fed member banks from having common officers, directors, and employees with an organization primarily engaged in issuing or underwriting securities.

Mr. Puckett said in the letter to William A. Hazen, president of Seligman Trust, that the Federal Reserve Board planned to study the activities of the bank's parent company and associated companies. He warned that statutory penalties of $1,000 per day against the bank could be levied if its Fed membership were approved and if the Fed finds a violation of Glass-Steagall.

Seligman Trust, he added, could be provided with an opportunity to present useful information, perhaps at a hearing.

The New York Fed official also asked whether Seligman wanted to withdraw its application for Fed membership. If not, he said, "the Reserve Bank is prepared to issue the stock" needed for Fed membership.

A copy of Mr. Puckett's letter was released by the Fed here.

Officials from Seligman Trust Co. were unavailable for comment ■

Yancey Is President Of Columbus B&T

COLUMBUS, Ga. — James D. Yancey, executive vice president and a director of Columbus Bank & Trust Co., has been elected president. Mr. Yancey succeeds James B. Blanchard, who will continue as president of the bank's parent company, CB&T Bancshares Inc.

H. Lynn Page, executive vice president, has been elected vice chairman of bank.

William B. Turner is chairman of the bank and holding company.

Mr. Yancey's role as president of CB&T will give him chief executive responsibility for the bank. As executive vice president of the holding company, Mr. Yancey will have responsibility for all lending policies and systems.

Mr. Page will have primary responsibility for CB&T's two subsidiaries, the Georgia Co. and Total System Services Inc. In addition, his role as executive vice president of CB&T Bancshares, will include responsibility for development and implementation of holding company systems, policies and acquisition strategies.

Mr. Yancey joined CB&T in October 1959 and Mr. Page in February 1965. ■

Starr Ban Company

CHICAGO — The Federal Reserve Bank of Chicago has approved the application of Starr Ban Company, Lamoni, Iowa, to become a bank holding company by acquiring State Bank of Lamoni. ■

Ronald Rhody Named Senior VP at BofA

SAN FRANCISCO — Ronald E. Rhody, 51, has been named senior vice president and director of Bank of America NT&SA's corporate communications division.

Mr. Rhody, who formerly was a vice president at Kaiser Aluminum & Chemical Corp., fills the position left vacant by the death last fall of John Bell.

In his new position, Mr. Rhody will be responsible for news relations, editorial services, field communications, communications policy and program development, specialized services, and instructional publications.

He will serve on the bank's management advisory council and social policy committee.

A native of Kentucky, Mr. Rhody has worked as a newspaper editor, a radio news and sports director, and a television news broadcaster. ■

Mortgage Loan Rates Continue to Decline

WASHINGTON — Interest rates on conventional home mortgages continued to decline between February and March, the Federal Home Loan Bank Board said Tuesday.

This was the seventh consecutive monthly decrease, the Bank Board said in a statement. However, rates dropped less than they did in December and January.

Major lenders offered an effective commitment rate of 13.35% in early March on conventional mortgages for the purchase of newly built, single-family homes with a 75% loan-to-price ratio and a 25-year term to maturity. This was 22 basis points less than the effective commitment rate a month earlier. ■

Latin America . . .

Continued from page 1

amount equal to 16% of the company's equity capital.

Financial shocks to these countries have left them short of cash to pay the debts they owe to commercial banks and other lenders. This has forced the borrowing countries to try to renegotiate and restructure these loans.

The 10 biggest banks have loaned $43.7 billion or amounts totaling 169% of their capital. In the top 10, New York's Citicorp has the biggest exposure with $9.8 billion, or an amount equal to 203% of its equity, loaned to these Latin American countries. Citicorp has outstandings to these countries totaling almost as much as all the 11th to 20th largest banks combined.

Required to Report for the First Time

The numbers were compiled from annual reports filed with the Securities and Exchange Commission. Under these disclosures, required for the first time by the SEC, the banks must divulge only outstandings that total 1% or more of the company's total outstandings.

The disclosures also represent only dollar-denominated business. Outstandings, as defined by the SEC, include loans, leases, bank deposits, securities, bankers acceptances, federal funds, and repurchase agreements.

Therefore, a bank may have lent money in Venezuela, but it would not show in the disclosures if it is less than 1% of of the holding company's total outstandings. Similarly, if money was loaned in the local currency it would not be included in the figures.

The figures are as of yearend 1982, and are likely to differ from current exposure. Many of these countries have been rescheduling their debts and some have required additional funds from commercial banks. ■

Survey . . .

Continued from page 3

50 or 60. Previous surveys have been inconclusive.

In addition to the 102 tallied in the survey, another 21 smaller or foreign banks have previously told this newspaper how they utilize futures. This brings the known, admitted number of banks baptized by fire in the futures markets to 123. Of course not all are active at any one time; and some have found the initial experience unpleasant enough not to repeat it. But the number probably represents a realistic minimum in answer to the question: "So, how many banks use futures?"

Not surprisingly, the survey showed that the bigger banks are the most likely to have developed a futures program. Fully 92%, or 24 out of the 26 banks with deposits of over $6 billion, had entered the financial futures market. Going down the scale, proportionately fewer smaller banks had taken the plunge: out of the 34 with deposits of $3 billion to $6 billion, 18, or 53%, had participated; 13, or 41%, of the 32 with deposits of $2 billion to $3 billion had made a trade; and 31, or 33%, of the 94 banks of $1 billion to $2 billion admitted they had done it.

Bringing up the rear, only 16 out of 114 banks under $1 billion in size -- only 14% — had ever entered a futures order.

Geographically, the survey held few surprises. New York, Illinois, and California boasted the highest concentrations of users, while Alaska, Idaho, Iowa, Kansas, Louisiana, Nebraska, Nevada, New Jersey, New Mexico, Puerto Rico, South Dakota, and Utah could not claim a single player.

Last Year, Only Half as Many

John Werderits, managing director of Chicago's International Monetary Market financial futures exchange, said the survey shows futures are being used by more banks than he expected. "A year ago, there would probably have been only half as many," he added. "I did not know the numbers had grown so much."

Heavy involvement by the bigger banks came as no surprise, as these have been trading the markets the longest. Typically, the first use of futures in a bank is in the dealing room or bond trading department, and bigger banks mostly developed their futures strategies from activities in that area, he said. ■

SBA . . .

Continued from page 3

teed loans up to $500,000 or 90% of the loan.

The Preferred Lenders pilot officially started March 1, according to Mr. Snyder. As far as when additional loans will be announced, he said, "I know there are a lot more in the works."

First National State Bank has been allocated $2 million in SBA Preferred Lenders guarantees for the April-June quarter, said Mr. Berzin. The bank can also ask the SBA for further guarantees, he added.

In addition to the $700,000 loan, First National State Bank extended a $1.2 million line of credit to Selby Drugs. Mr. Berzin declined to specify the rate on the loan, although he said it is floating. The drug company was an existing bank customer, he added.

First National State Bank has been a certified SBA lender since 1980. It is one of the few banks on the East Coast with a special lending group that handles SBA loans.

As in other SBA guarantee programs, the banks in the Preferred Lenders pilot pay a 1% fee for the loan guarantees.

Mergers, Acquisitions

Continued from page 3

company owns one other bank, the $390 million-deposit Northwest Bank of Oil City.

■

The Banking Center of Stamford, Connecticut's fifth largest mutual savings bank, has completed the acquisition of **Woodbury Savings Bank.**

Woodbury, which had $103.2 million in deposits, will operate as the Woodbury Savings Division of the Banking Center. The Stamford mutual had $677.6 million in deposits at yearend.

■

The Federal Home Loan Bank Board has allowed **Commonwealth Federal Savings & Loan Association** of Norristown, Pa., to acquire **Freedom Valley Federal Savings & Loan Association** of Conshohocken, Pa.

At yearend, Commonwealth had $675.9 million in deposits and ranked as the fifth largest savings association in Pennsylvania and 30 branches. Freedom Valley, which has about $120 million in assets and four offices, will operate as a division of Commonwealth.

LeRoy Todd, former president and chief executive officer of Freedom Valley, has been named senior vice president of Commonwealth. Matthew T. Welde continues as president of the Norristown thrift.

—Bart Fraust

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American Banker

The Only Daily Banking Newspaper

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Accord Averts Proxy Fight At Southeast

Special to the American Banker

MIAMI — Southeast Banking Corp. settled its proxy fight with a major stockholder on Friday, just two hours before the annual shareholders' meeting where the battle was to have taken place.

MHT Corp. Authorizes More Stock, Page 3

Southeast chairman and chief executive officer Charles J. Zwick told about 400 shareholders at the meeting that the bank holding company was paring down its proposals to double the number of authorized common shares to 50 million and more than triple the authorized preferred shares to 10 million.

Revised charter amendments, calling for fewer new shares, will be submitted to stockholders later.

Mr. Zwick said the company has also agreed to add a representative of the

➤➤ Southeast: Page 15

Nonperforming Loans

In Millions of Dollars and as a Percentage of Net Loans and Lease Financings

	3-31-83	12-31-82	3-31-82
Citicorp	1,900	1,662	1,038
	2.18%	1.90%	1.33%
BankAmerica Corp.	2,978	2,404	1,237
	3.98%	3.19%	1.70%
Chase Manhattan Corp.	1,900	1,400	883
	3.55%	2.56%	1.75%
Manufacturers Hanover Corp.	875	829	726
	1.93%	1.83%	1.78%
J.P. Morgan & Co. Inc.	700	518	386
	2.17%	1.65%	1.30%
Chemical New York Corp.	796	737	591
	2.64%	2.41%	2.02%
Continental Illinois Corp.	2,000	1,900	844
	8.15%	5.70%	2.49%
First Interstate Bancorp.	1,148	1,050	560
	4.94%	4.49%	2.51%
Bankers Trust New York Corp.	476	444	423
	2.37%	2.06%	2.20%
Security Pacific Corp.	855	676	351
	3.27%	2.59%	1.53%
Total	13,628	11,820	7,039
Average	3.32%	2.84%	1.86%

Problem Loans Increase 17.3% At Big Banks

But Analysts See Peak For Economic Cycle

By KAREN SLATER

NEW YORK — The nation's 10 largest banking companies reported an average 17.3% increase in problem loans from yearend 1982 to the end of the first quarter.

The Top 15 Bank Earners, Page 3

These nonperforming loans — and actual writeoffs of bad loans — have been climbing for more than a year. But bankers and analysts now believe the loan-quality problems are approaching their peak for the current economic cycle.

Nevertheless, the optimism remains tempered with caution. Bankers and analysts express continuing uncertainty about a few large categories of loans, particularly those to the energy industry and to developing nations. And they note that both nonperforming loans and chargeoffs are likely to remain high for most of this year, despite a peak within the next few quarters.

"It would be unrealistic to expect losses for 1983 to be significantly less than for 1982," remarks Lloyd Sugaski, BankAmerica Corp.'s executive vice president for lending.

Nonperforming loans at the top 10 bank holding companies averaged 3.32% of net loans and lease financings on March 31.

That was up from 2.84% at yearend

➤➤ Loan Quality: Page 16

First Chicago's Falling Farm Lending

Bank's Officers Seldom Seen Out Among the Silos, Say Rivals

By RICHARD RINGER

CHICAGO — Banks' agricultural lending officers are trudging through soggy farmlands and crisscrossing rural hamlets this spring hustling for more quality agricultural credits, but officers from First National Bank of Chicago haven't been seen much at all.

A few rival bankers here and others familiar with First Chicago's agricultural division say First Chicago's near-absence this spring appears to be part of a deliberate effort to lessen the bank's involvement in agricultural production lending.

First Chicago, which for years has had a relatively strong level of involvement in agricultural production lending, today is "less than aggressive in the marketplace," said one source.

First Chicago says it is not turning away from agricultural lending. Rather, the bank is simply being prudent and "looking at the industry with a degree

➤➤ First Chicago: Page 16

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Florida Usury Bill Faces Test
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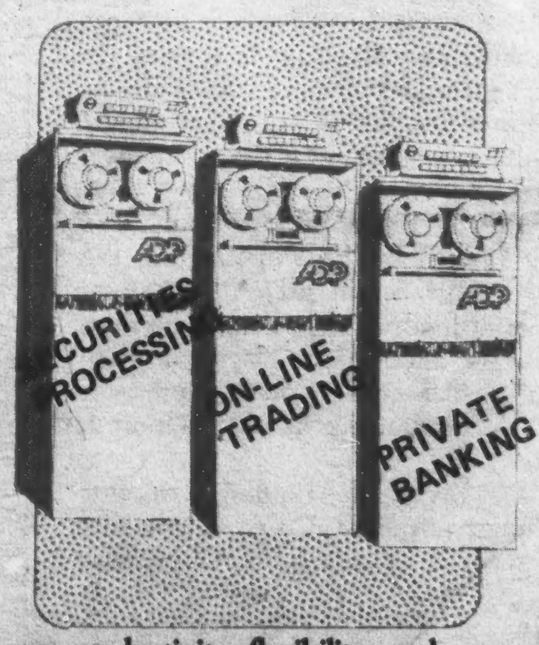

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